

## PRESS RELEASE

### Mapletree Industrial Trust Delivers Resilient FY23/24 Results in Challenging Environment

- Resilient financial performance driven by contributions from new projects
- Unlocks value in the portfolio through the divestment of the Tanglin Halt Cluster
- Remains focused on accretive acquisitions and developments as well as selective divestments of non-core assets to strengthen portfolio

25 April 2024 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), wishes to announce that the Distribution to Unitholders for the Financial Year 2023/2024 from 1 April 2023 to 31 March 2024 (“FY23/24”) rose by 2.7% year-on-year to S\$378.3 million. Distribution per Unit (“DPU”) for FY23/24 fell by 1.0% year-on-year to 13.43 cents.

#### Financial Results of MIT for 4Q & FY23/24

	4QFY23/24	4QFY22/23	↑/(↓)%	FY23/24	FY22/23	↑/(↓)%
Gross revenue (S\$'000)	178,700	171,099	4.4	697,332	684,865	1.8
Property expenses (S\$'000)	(46,916)	(42,183)	11.2	(176,289)	(166,914)	5.6
Net property income (S\$'000)	131,784	128,916	2.2	521,043	517,951	0.6
Distribution to Unitholders (S\$'000)	95,245	91,238 <sup>1, 2</sup>	4.4	378,281 <sup>1, 2, 3, 4</sup>	368,240 <sup>1, 2</sup>	2.7
No. of units in issue ('000)	2,834,670	2,739,870*	3.5	2,834,670	2,739,870*	3.5
DPU (cents)	3.36	3.33 <sup>1, 2</sup>	0.9	13.43 <sup>1, 2, 3, 4</sup>	13.57 <sup>1, 2</sup>	(1.0)

\* Includes new units issued pursuant to the Distribution Reinvestment Plan.

<sup>1</sup> Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24.

<sup>2</sup> Includes the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.

<sup>3</sup> Includes the distribution of compensation received for compulsory acquisition of part of the land at 2 and 4 Loyang Lane of S\$2.1 million, which was withheld in 3QFY21/22, over two quarters from 2QFY23/24 to 3QFY23/24. Please refer to the Financial Statement and Distribution Announcement for the period from 1 October 2021 to 31 December 2021.

<sup>4</sup> Includes the distribution of net divestment gain of S\$4.2 million from 65 Tech Park Crescent over two quarters from 2QFY23/24 to 3QFY23/24. 65 Tech Park Crescent was divested on 20 July 2017.

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Gross revenue and net property income for FY23/24 increased by 1.8% and 0.6% year-on-year to S\$697.3 million and S\$521.0 million respectively. The better performance was mainly driven by revenue contributions from the redevelopment project, Mapletree Hi-Tech Park @ Kallang Way, the data centre in Osaka, Japan (the “Osaka Data Centre”) acquired on 28 September 2023 as well as new leases and renewals across various property clusters.

The Distribution to Unitholders for FY23/24 increased by 2.7% to S\$378.3 million, which was mainly due to higher net property income and higher distribution declared by joint venture, Mapletree Rosewood Data Centre Trust. This was partly offset by higher borrowing costs from new borrowings taken to fund the acquisition of the Osaka Data Centre and higher interest rates for the existing borrowings.

For the Fourth Quarter Financial Year 2023/2024 from 1 January 2024 to 31 March 2024 (“4QFY23/24”), Distribution to Unitholders and DPU rose 4.4% and 0.9% year-on-year to S\$95.2 million and 3.36 cents.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “FY23/24 was a challenging year characterised by macroeconomic uncertainties and headwinds from higher operating expenses and borrowing costs. MIT remained resilient, strengthened its portfolio with its maiden data centre acquisition in Japan, and unlocked value through the divestment of its Tanglin Halt Cluster. MIT will remain focused on pursuing accretive acquisitions and developments as well as selective divestments of non-core assets to deliver sustainable returns to our Unitholders.”

### **Resilient Operational Performance**

The average rental rate of the Singapore Portfolio increased to S\$2.22 per square foot per month (“psf/mth”) in 4QFY23/24 from S\$2.21 psf/mth in 3QFY23/24. Positive rental revisions for renewal leases were achieved across all property segments in Singapore with a weighted average rental revision rate of about 6.6%. The average rental rate of the North American Portfolio also increased to US\$2.51 psf/mth in 4QFY23/24 from US\$2.43 psf/mth in 3QFY23/24.

### **Stable Portfolio Valuation**

As at 31 March 2024, the total valuation of 140 properties in MIT's portfolio was S\$8,802.2 million. This represented a 0.9% increase over the previous valuation of S\$8,725.1 million as at 31 March 2023, mainly due to the acquisition of the Osaka Data Centre.

### **Proactive Portfolio Rebalancing**

On 9 February 2024, MIT completed Phase 2 fit out works for Osaka Data Centre for JPY5.2 billion<sup>5</sup>. The remaining two phases of fit out works are slated for completion by May 2025.

On 27 March 2024, MIT completed the divestment of 115A & 115B Commonwealth Drive, Singapore (the "Tanglin Halt Cluster") at a sale price of S\$50.6 million. The sale price represented an 8.4% premium above book value<sup>6</sup>. The sale of the Tanglin Halt Cluster will provide MIT with greater financial flexibility to pursue other growth initiatives.

### **Prudent Capital Management**

About 84.6% of MIT Group's gross borrowings had been hedged through interest rate swaps and fixed rate borrowings as at 31 March 2024, which would help to contain the impact of interest rate fluctuations on distributions. Gross borrowings decreased quarter-on-quarter by S\$139.6 million to S\$2,984.4 million as at 31 March 2024, which was mainly due to repayment of loans with net proceeds from the divestment of Tanglin Halt Cluster and funds from internal sources. The weighted average tenor of debt was extended to 3.8 years as at 31 March 2024 from 3.4 years as at 31 December 2023.

On 16 February 2024, MIT issued S\$50 million 3.751% fixed rate notes due 2027. This is in line with MIT's prudent capital management strategy to manage interest rate risk and to diversify sources of funding.

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<sup>5</sup> The purchase consideration for the Osaka Data Centre is JPY52.0 billion. MIT has acquired an effective interest of 98.47% in the Osaka Data Centre while the remaining 1.53% was held by its Sponsor, MIPL. Phase 2 of fit out works represented about 10% of the purchase consideration of the Osaka Data Centre. To date, MIT has paid 80% of the purchase consideration of the Osaka Data Centre.

<sup>6</sup> Based on the book value of S\$46.7 million as at the end of the Financial Year 2022/2023 ended 31 March 2023.

## **Outlook**

Global growth is projected at 3.2% for 2024 and 2025, the same pace as 2023<sup>7</sup>. Geopolitical tensions, divergence in disinflation among major economies and high interest rates may tilt global growth to the downside.

Rising property operating expenses and increases in borrowing costs may continue to exert pressure on distributions. The Manager will adopt cost-mitigating measures and focus on tenant retention as well as prudent capital management to balance the risks and costs in the elevated interest rate environment.

## **Distribution to Unitholders**

Unitholders can expect to receive their quarterly DPU for the period from 1 January 2024 to 31 March 2024 on 10 June 2024. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 6 May 2024.

For further information, please contact:

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<sup>7</sup> Source: International Monetary Fund, World Economic Outlook, April 2024.

## **About Mapletree Industrial Trust**

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

As at 31 March 2024, MIT’s total assets under management was S\$8.9 billion, which comprised 56 properties in North America (including 13 data centres held through the joint venture with Mapletree Investments Pte Ltd), 83 properties in Singapore and one property in Japan. MIT’s property portfolio includes Data Centres, Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

## **About Mapletree Industrial Trust Management Ltd.**

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

## **About Mapletree Investments Pte Ltd**

Headquartered in Singapore, Mapletree Investments Pte Ltd (“MIPL”) is a global real estate development, investment, capital and property management company committed to sustainability. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

As at 31 March 2023, MIPL owns and manages S\$77.4 billion of office, retail, logistics, industrial, data centre, residential and student accommodation properties. MIPL currently manages three Singapore-listed REIT and eight private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom and the United States.

MIPL’s assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.